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Grains and Oilseeds Market Update

Report Categories:
Grain and Feed
Oilseeds and Products

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Report Highlights:
In 2014 wheat exports have set a sustained pace that will establish a record spurred on by export demand and deepening escalation of political tensions in the Black Sea region.

After an unusually dry, warm fall/winter period the weather turned more favorable in March and April to date for development of the winter crops. Temperatures have been mild, above average in March and early April and slightly cooler in mid-end April. Most crops are estimated at advanced in development for this time of year and farmers are projecting earlier harvest.

General Information:
Weather

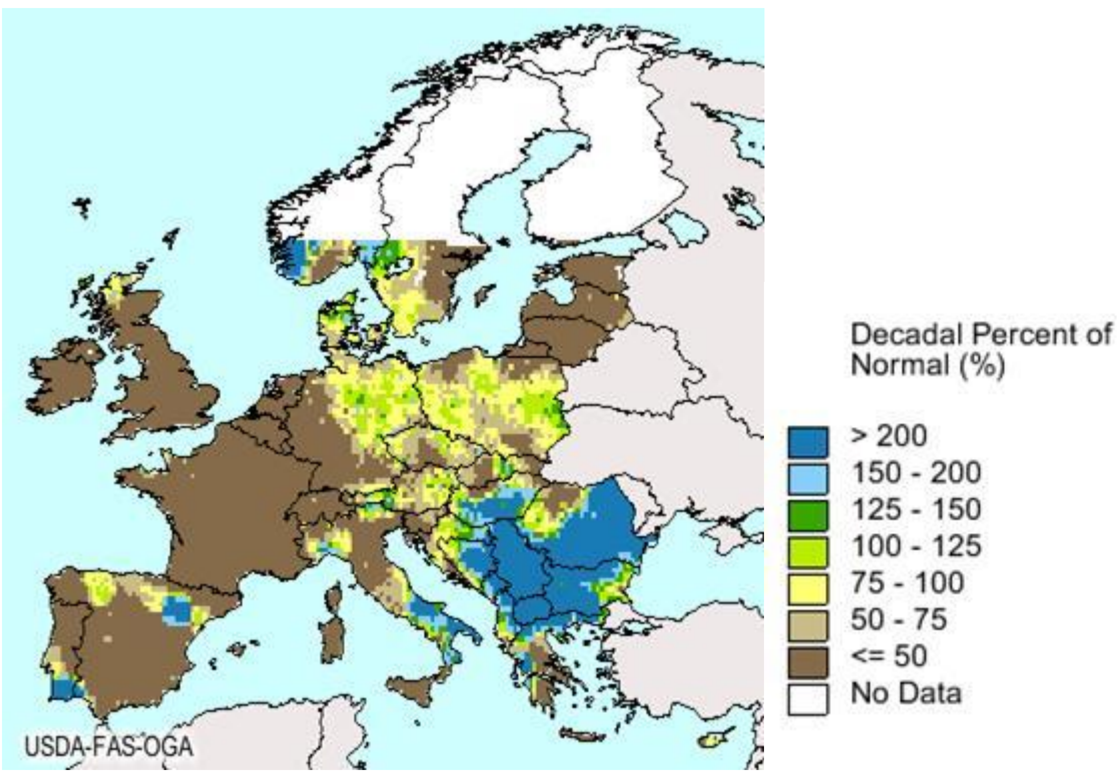
After an unusually dry, warm fall/winter period the weather turned more favorable in March and April-to-date for development of the winter crops.

Temperatures have been mild, above average in March and early April and slightly cooler in mid-end April.

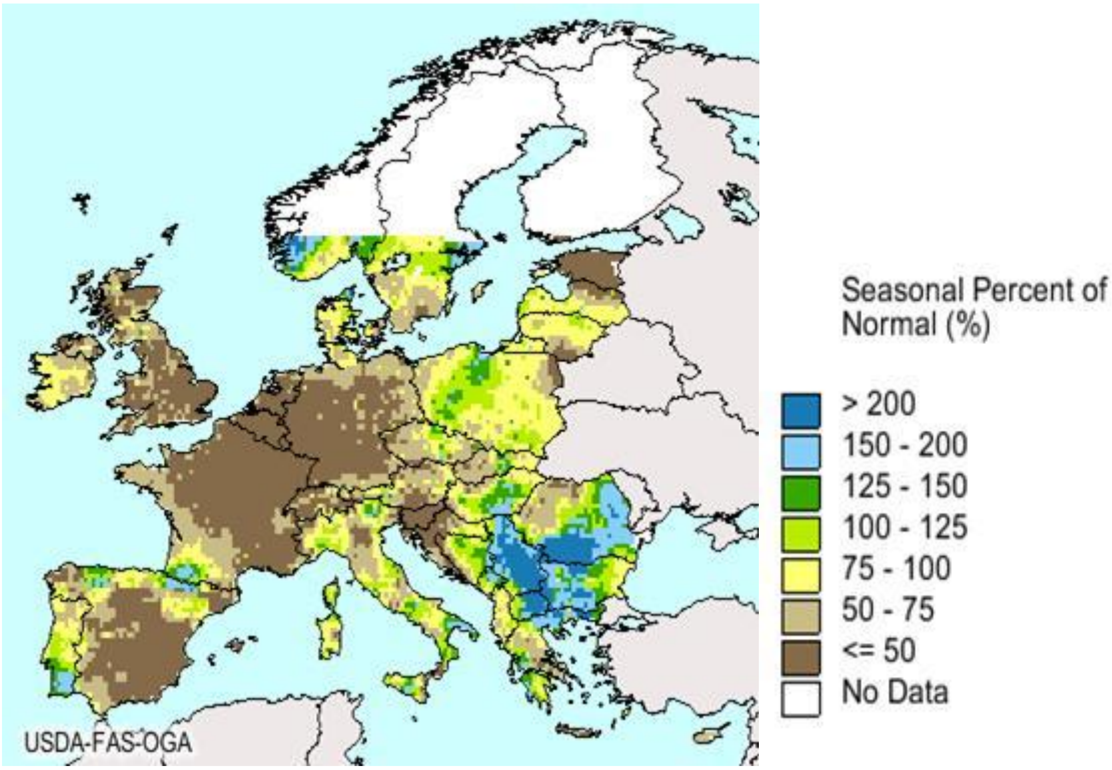
Please see the Crop Explorer AFWA temperature and departure from normal 04/11/2014-04/20/2014 Here

Rainfall March 1-10 March and April 1-10 and especially recent rains in April 10-20 were abundant and improved significantly the soil moisture after the drier period March 10-April 1. Most crops are estimated to be up to 2 weeks in advance of normal development and farmers are projecting earlier harvest.

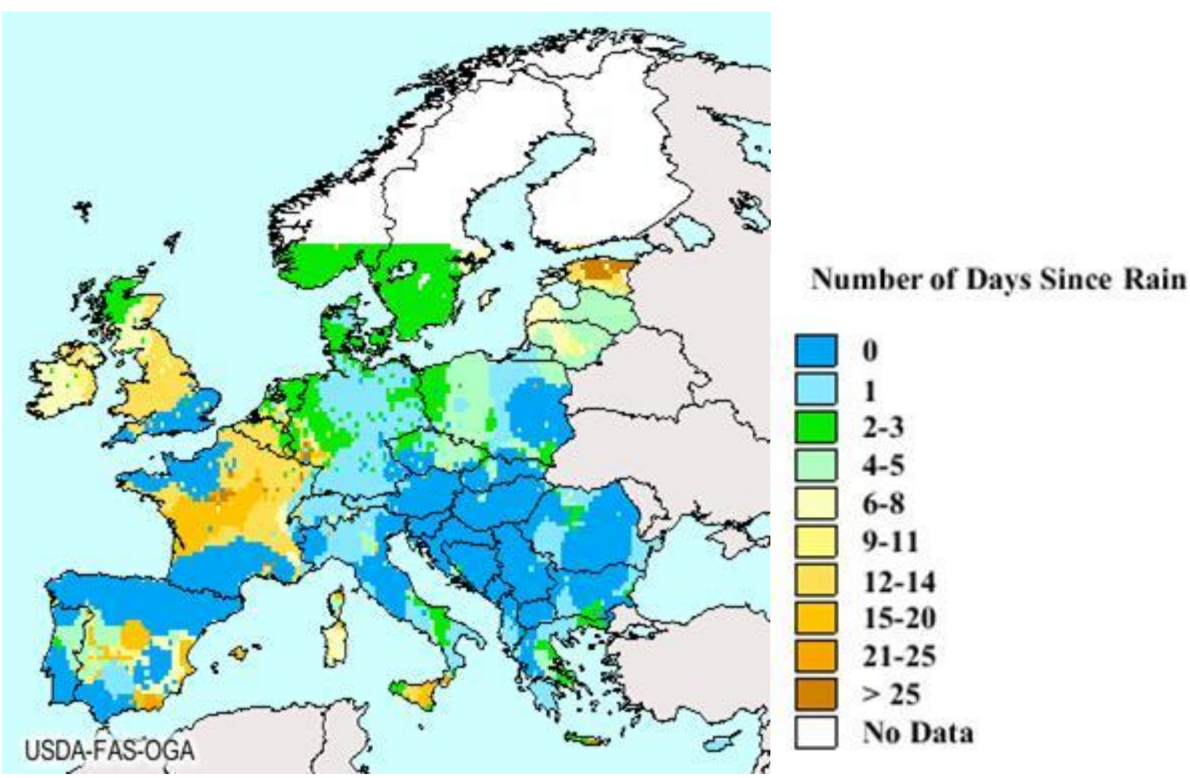
AFWA Decadal Percent Normal Precipitation 04/11/2014 - 04/20/2014



AFWA Seasonal Percent of Normal precipitation
03/01/2014 - 04/20/2014



AFWA Number of Days Since the last Measurable Rain (in past 30 days) 04/20/2014



The rain during this period has enhanced soil moisture levels, both on the surface and in sub-surface zones. However, both levels remain on average slightly below last year's level at this time.

By region, as a percent of soil moisture, the situation was better in the major production areas of Central and Northwest Bulgaria, followed by Northeast areas, and finally Southern Bulgaria (see the Crop Explorer graphs as of April 20, 2014 at here

In terms of surface soil moisture, the situation is best in Northwest Bulgaria with levels exceeding last year while in the other two regions, the surface soil moisture has only reached the levels recorded last year. Similarly, sub-surface moisture levels are the best in Northwest, just reaching 2013 levels, while in the other two regions this index, although better than before, is still below last year's level. Please, see here

Frequent rains in April combined with mild temperatures led to reported higher infestation of fungal diseases and more insect pressure. Often farmers were unable to carry out timely disease/pest/control due to interrupting rains.

In addition, while rains improved the soil moisture, they prevented spring planting which turned out to be
somewhat of a challenge this year. Most farmers began planting on time at the end of March but had to interrupt the process due to rains, and now will likely complete it by early May. Despite these challenges,
planting is taking place with favorable temperatures which is providing optimism at the start of the crop season.

MY2013/14 and MY 2014/2015 Production Estimates

Official 2013/14 data has not been released yet by the Bulgarian MinAg Statistical Department.
The only official data released to date has been by the MinAg Grain and Feed Agency/GFA
(only about production.no crop area data). This data differs from data published in Eurostat as follows:

Wheat –	4,826,863 MT (GFA);	5,097,000 MT Eurostat
Barley -	696,392 MT (GFA);	819,000 MT Eurostat
Rapeseeds –	356,428 MT (GFA);	335,000 MT Eurostat
Sunflower –	1,788,206 MT (GFA);	1,802,000 MT Eurostat
Corn –	2,591,118 MT (GFA);	2,300,000 MT Eurostat

Table 1. Major Grains and Oilseeds Crop Estimates for MY 2013/14 and MY2014/15 (As of April 2014)

Crops	**Planted Areas (,000 HA)**			**Production (,000 MT)**		
	MY 13/14 (FAS est.)	MY13/14 Eurostat	**MY14/15** (FAS est.)	MY 13/14 (FAS est.)	MY13/14 Eurostat	**MY14/15** (FAS est.)
Soft Wheat	1,190	1,200	1,180	4,900	5,097	4,600

Barley	198	210	200	700	819	700
Corn	450	420	450	2,600	2,300	2,300
Rapeseeds	150	141	130	356	335	350
Sunflower	785	751	750	1,800	1,802	1,700
Note: Based on MinAg/Grain and Feed Agency (GFA) and industry estimates.						

Source: MinAg, industry

Trade

MY2013/14 Exports thru March 31 2014

Wheat – The MinAg/Grain and Feed Agency (GFA) reports MY 2013/14 (July 1, 2013 - March 31, 2014)
exports at 3.281 MMT, of which 2.252 MMT went to EU and 1.029 MMT, went to non-EU destinations.
Data reported to the World Trade Atlas (WTA) show MY 2013/14 (July 1, 2013- January 2014) exports at 2.941 MMT.

The new annual total trade export projection is increased to 3.4 MMT – a record if achieved, or 100,000 MT
higher than the previous estimate of 3.3 MMT released in January. The GFA estimates the country could
export up to another 150 TMT thru the end of June, without risking any local shortages.

Barley – According to the GFA, exports between July 1 and March 31, 2014 totaled 365 TMT.
Out of this quantity, 87 TMT went to EU and 278 TMT went to non-EU destinations. According to WTA, exports until January 2014 in MY2013/14 (July 2013- January 2014) were at 364 TMT.

The new annual total trade export projection is increased to 370 TMT.

Corn - According to the GFA, exports between September 1 and March 31, 2013 totaled 1.561 MMT of which 1.105 MMT went to EU and 456 TMT went to non-EU destinations.
According to WTA, exports until January 2014 in MY2013/14 (September 2013 - January 2014) were at
1.540 MMT.
Industry sources estimate annual export projection for 1.9 MMT. The GFA also estimates the country could export a total of 1.95 MMT without risking any local shortages.

Sunflower - According to the GFA, exports between September 1 and March 31, 2013 totaled 872 TMT of which 694 TMT went to EU and 178 TMT went to non-EU destinations. According to WTA, exports
until January 2014 in MY2013/14 (September 2013 - January 2014) were at 659 TMT.

MY2013/14 the export potential is estimated to exceed 1.0 MMT depending on local crush demand. The GFA also estimates the country could export up to 1.19 MMT without risking any local shortages.

Rapeseeds - According to the WTA, exports between July 1, 2013 and January 31, 2014 totaled 271 TMT
of which 242 TMT went to EU and 29 TMT went to non-EU destinations.
The GFA has not provided any update of its data in March.

MY2013/14 Stocks and Consumption

Wheat

The GFA estimates MY 2013/14 beginning stocks at 220 TMT and production at 4.826 MMT. Consumption for the period July 1 – March 31, 2013, was recorded at 1.366 MMT (food, feed, seeds, and industrial use). As of March 31, 2014 available stocks were reported at 665 TMT.
The GFA estimates consumption through the end of this marketing year to be at 312 TMT, leaving year-end stocks at 353 TMT. This represents an average monthly consumption of 104 TMT/month for the last quarter April - June 2014.

The above data shows total annual consumption of wheat at 1.678 MMT which is lower than traditional level of close to 2.0 MMT. The changes which occurred during the year were related mainly to the reduction of wheat for feed substitution as corn is less expensive as well as lower use for food purposes.

In mid-April, the National Statistics reported that over the last year, Bulgarian consumers have reduced consumption of bread and bakery products by 3.3 hg/capita while the consumption of meat, vegetables, fish and dairy product have grown. Thus total annual per capita consumption dropped from 101.1 kg/capita
in 2012 to 97.8 kg/capita in 2013.

This trend also has been confirmed by trade reports from the milling and baking industries. Federation Baking and Confectionary Producers, tough competition for cash-strapped consumers led bankruptcies of small, mom-and-pap companies. As of April 2014 the Association reported total 680 manufacturers while 2 years ago they were 2,200.

Barley

The GFA estimates beginning stocks at 10 TMT, production at 696 TMT, and total consumption during the period July 1 2013 – March 31, 2014 at 270 TMT for feed, for the brewing industry and for planting seeds. On March 31, 2014 available stocks were reported at 72 TMT. Recent growth in exports although
small, indicates a slight reduction in local consumption which is reported to be caused by feed use where,
similar to wheat, barley has been substituted with corn when possible.

Corn

The GFA estimates beginning stocks at 227 TMT, production at 2,591 MMT, and consumption September 1, 2013 through March 31, 2014 at 496 TMT for feed and for the starch industry.
On March 31, 2014 available stocks were reported at 780 TMT. The GFA estimates consumption through
the end of the marketing year at 390 TMT or about 78 TMT on average per month. This is more than the previous forecast (66 TMT/month) due to the pronounced trend in better feed use.

Sunflower

The GFA estimates beginning stocks at 23 TMT and consumption September 1, 2013 – March 31, 2014 through 31 at 351 TMT for feed and food. On March 31, 2014 available stocks were reported at 606 TMT.
The GFA estimates consumption through the end of the marketing year at 280 TMT or about 56 TMT on
average per month or higher than the previous estimate of 39 TMT/month. Reportedly, this is a result of better crush use which if confirmed has a potential to lower slightly the export estimates.

Rapeseeds

The GFA estimates beginning stocks at 60 TMT and production at 356,000 MT. The GFA reported available
stocks as of March 31, 2014 at 52 TMT. Previous GFA consumption data for July 1- December 31 period
was at 67 TMT. No update has been published by GFA in March, FAS estimates consumption until April 2014 at over 75 TMT.